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1 October 1959

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CURRENT INTELLIGENCE WEEKLY REVIEW

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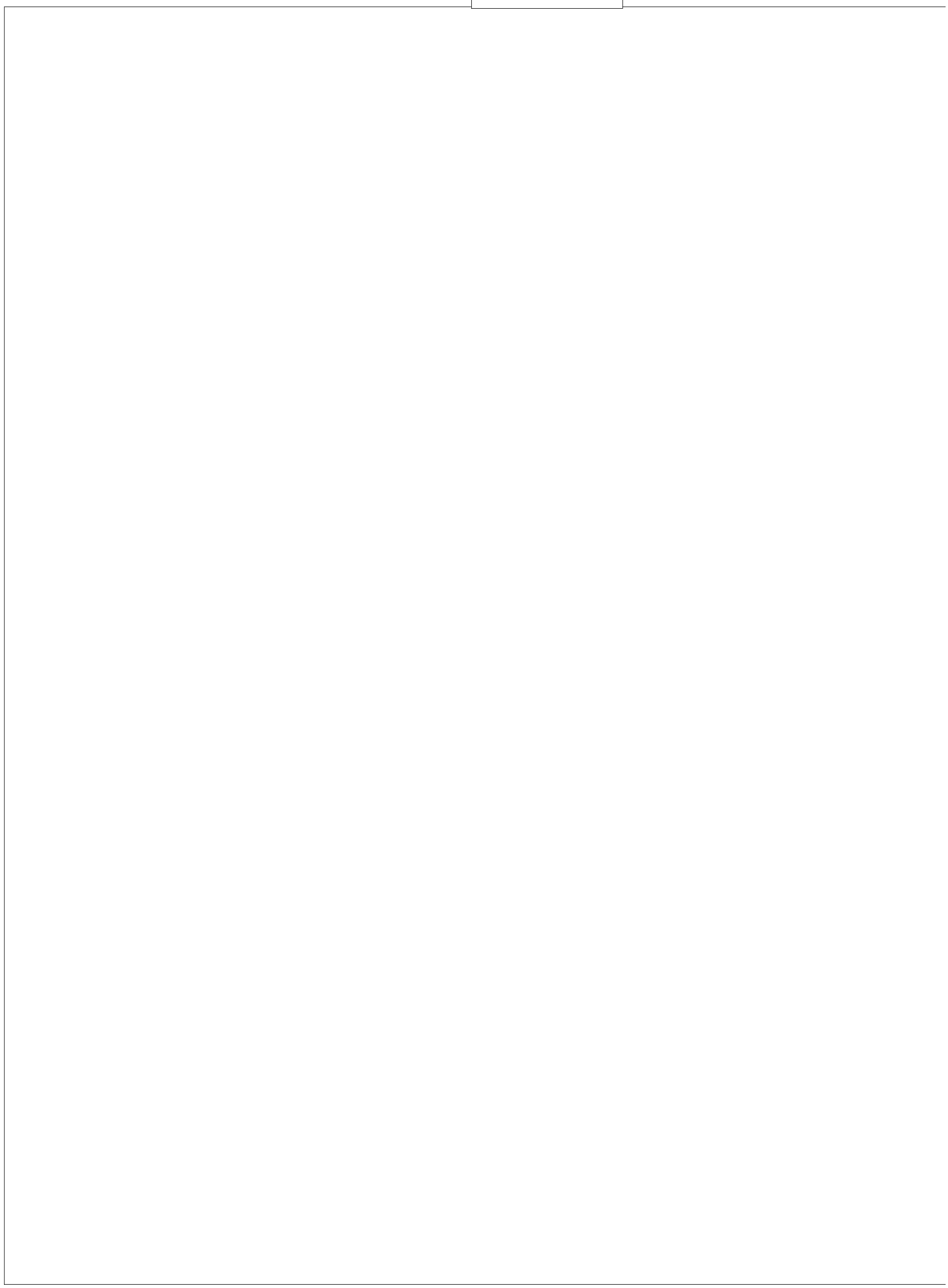
T H E W E E K I N B R I E F

PART I

OF IMMEDIATE INTEREST

PEIPING CELEBRATES TENTH ANNIVERSARY . . . . . Page 1

At the celebration in Peiping of the tenth anniversary of their regime, China's leaders are placing major emphasis on "peaceful construction" while reaffirming their long-range goal to "liberate" Taiwan. Soviet Premier Khrushchev at the celebrations attempted to dissociate the USSR from Peiping's harder foreign policy line and to encourage Chinese moderation. Continuing differences between Moscow and Peiping are indicated by the omission by Khrushchev and Suslov of any mention of the communes. Moving toward the Soviet line, Premier Chou En-lai "welcomed" the Eisenhower-Khrushchev communiqué and stated that China and the bloc will "surpass" capitalism in "peaceful competition." Anniversary developments support other indications that the recent Defense Ministry changes reflect policy differences which Peiping hopes to resolve in most cases without resort to harsh methods.



CURRENT INTELLIGENCE WEEKLY REVIEW

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PART I

OF IMMEDIATE INTEREST

PEIPING CELEBRATES TENTH ANNIVERSARY

At the celebrations under way in Peiping of the regime's tenth anniversary, the Chinese Communist leaders have placed major emphasis on "peaceful construction" and the "brilliant" successes of the regime in the economic field. Comparisons between the present economic situation with the "unhappy" situation ten years ago are clearly intended to cover up the recent embarrassing retreat from overambitious economic targets, while dramatizing the considerable achievements of the ten-year period.

Premier Chou En-lai told an anniversary eve banquet that China has "paved the way for a great leap forward," indicating that the Chinese leaders will continue to demand hard work and austerity from the people. Chou referred to the communes briefly as "new-type organizations beneficial to the development of productivity," but avoided claims made by Chinese theorists that they contain the "young buds of Communism."

Chou's speech was primarily directed toward China's most important guest, Soviet Premier Khrushchev, and contained passages reflecting the Soviet foreign policy line. Chou "welcomed" the Eisenhower-Khrushchev communiqué, congratulated Khrushchev as a "peace envoy," and asserted that China, along with the bloc, will "surpass capitalism in peaceful competition."

In his speech which followed Chou's, Khrushchev concentrated on foreign policy and the line of peaceful coexistence. His remarks that "we must do everything possible to preclude war" and that "we should not attempt to test the stability of the capitalist system by force" vary markedly in tone from recent Chinese pronouncements. Khrushchev appeared anxious to convey the impression to the West that he intends to maintain the atmosphere of detente and sought to dissociate the USSR from Peiping's harder foreign policy line.

Khrushchev may seek to convince the Chinese leaders in private talks of the need to moderate their propaganda. The Chinese will probably tell Khrushchev that they must continue to highlight American "provocations" against China until there is a "basic" change in American policy toward the Nationalist position on the offshore islands and Taiwan. They will probably point out that the pledge to "liberate" Taiwan is a useful domestic slogan to push the populace toward greater efforts.

Khrushchev himself seemed appreciative of the propaganda importance to Peiping of the "liberate Taiwan" slogan, and in his 30 September remarks expressing sentiments against wars in general, he excepted "liberating" wars. The pledge to "liberate" Taiwan made by Liu Shao-chi and Defense Minister Lin Piao during the celebrations was in a long-term context and did not carry a sense of urgency. The Chinese Communists announced they would

not shell the Chinmen complex on 29 September and 1 October in order to enable "compatriots" to celebrate the anniversary "happily."

Khrushchev appeared reluctant to endorse Communist China's economic policies, although he and Soviet presidium member Suslov--who spoke on 28 September--made the usual affirmations of Soviet support and friendship. Khrushchev declined comment on China's achievements, asserting it is "not for me" but for "you, my friends, to speak of your successes." He avoided any reference to the commune program and to the "leap forward," but referred to Soviet experience as an "object lesson in economic construction." Like Suslov, Khrushchev apparently was suggesting to the Chinese that they would profit by adhering more closely to the USSR's methods in industrial and agricultural technology.

The continuing Soviet effort to influence the Chinese to change the term "commune" back to cooperative was indicated in a Georgian Republic newspaper on 10 September, which stated the "cooperatives formed in 1959 were called the people's communes by our Chinese comrades." For Moscow, the term apparently implies a highly advanced stage of social development--an implication the Soviet leaders hope to eliminate from Chinese ideological claims.

Mao and Khrushchev will probably issue a joint communiqué to remind the West that Moscow is an ally of China "forever" and to reassure Asian nations that the Chinese regime has "peaceful" intentions. It would appear to be in Peiping's interest to adopt more fully the Soviet line on "peaceful competition"--a move which may well be reflected in any joint communiqué.

The USSR's delegation is a high-level, businesslike group and includes the deputy chairman of the State Committee for Foreign Economic Relations. The occasion might be marked by the announcement of some modification of or small addition to Soviet aid in the industrialization of China. The delegations from the three Asian satellites, which are headed by their respective party chiefs, also include the defense ministers from North Korea and North Vietnam, suggesting discussions will be held on Far East military matters.

The absence of almost all the top Eastern European leaders probably indicates that no key matters specifically affecting their countries will be discussed in Peiping. In addition, the USSR probably would not welcome the symbolic significance at this time of a meeting of all bloc leaders in the Chinese capital. Protocol justification for the character of the East European delegations was perhaps based on the fact that no important Chinese leader, except Chou En-lai in 1957, has visited Eastern Europe, despite the fact that most East European satellite leaders have visited China.

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The presence of several prominent Latin American Communist party leaders in Peiping provides an opportunity for them to discuss with top Chinese officials new tactical plans in furtherance of Chinese objectives in Latin America. Top officials of the Brazilian, Argentine, and Venezuelan parties spoke at the opening ceremony, praising Chinese achievements. Peiping has thus far been most successful in exploiting anti-US sentiment in Cuba. None of the 20 Latin American nations has diplomatic relations with Communist China, but Cuba recently became the first country in the area since 1952 to abstain in a United Nations General Assembly vote on the question of Chinese UN representation.

The growing Chinese Communist armed forces received considerable emphasis in the large military review held in Peiping. Modern military equipment of Chinese manufacture including 52 jet fighters, probably MIG-17s, 72 large field artillery pieces, and 99 recently built tanks were prominently displayed. In all 155 cannon, 99 tanks, and 150 jet aircraft participated.

The appearance of almost all leading party, government, and military leaders at the ceremonies has provided some new insight into the government changes announced by Peiping two weeks ago. Two important military figures, who lost their posts in the Ministry of Defense, remain unaccounted for so far in reports of the celebrations. The continued absence of former defense minister Peng Te-huai and his former chief of staff when all other senior military leaders appeared in Peiping supports other indications that they were removed for political reasons.

This note is echoed in a long article by the new defense minister, Lin Piao, which outlines a number of policy differences within the services over the general question of party "leadership" of the armed forces, including the party's massive employment of troops in the "leap forward" and the commune program. Throughout his article Lin refers to those at odds with the party center as "comrades," thus suggesting that Peiping hopes to reform most of them through "study and education." Peiping is apparently satisfied with the military performance of the army, which Lin described as "triumphant."

A somewhat jarring note to the general mood of harmony and progress is contained in an article by Chinese head of state Liu Shao-chi which appeared in conjunction with the National Day holidays. Liu repeated the party's earlier concern that "right opportunism"--that is, opposition to the regime's domestic program--poses the greatest threat to Chinese development at present. Although Liu also described the critics as "comrades," his emphasis on the continuing threat suggests that action against some of these critics will be resumed after the National Day ceremonies are over.